

ORDINANCE NO. 2006-3

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$30,000,000 SOLID WASTE DISPOSAL REVENUE BONDS (ALCOA INC. PROJECT) IN ONE OR MORE SERIES OF WARRICK COUNTY, INDIANA FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUIRING, CONSTRUCTING AND INSTALLING CERTAIN SEWAGE AND SOLID WASTE DISPOSAL FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE INDENTURES OF TRUST TO SECURE SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE LOAN AGREEMENTS PROVIDING FOR THE REPAYMENT OF THE LOAN OF THE PROCEEDS OF SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE TAX EXEMPTION CERTIFICATES AND AGREEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE UNDERWRITING AGREEMENTS PROVIDING FOR THE SALE OF SAID BONDS; AUTHORIZING ONE OR MORE OFFICIAL STATEMENTS IN CONNECTION WITH THE SALE OF SAID BONDS; AND RELATED MATTERS.

WHEREAS, Warrick County, Indiana, a political subdivision of the State of Indiana (the "County") acting by and through the Board of Commissioners of the County of Warrick is authorized and empowered by the provisions of Title 36, Article 7, Chapters 11.9 and 12 of the Indiana Code, as amended (the "Act"), to issue its revenue bonds to defray the cost of acquiring, constructing and installing "pollution control facilities" within the meaning of the Act, including sewage and solid waste disposal facilities; and

WHEREAS, Alcoa Inc. (the "Company") has requested the County to issue its Solid Waste Disposal Revenue Bonds (Alcoa Inc. Project) in one or more series (the "Bonds") in an aggregate principal amount of not to exceed \$30,000,000 in order to finance the costs of the acquisition, construction and installation of certain sewage and solid waste disposal facilities (the "Project") at the aluminum plant, power plant and related facilities of the Company located in the unincorporated area of Warrick County, Indiana near Newburgh, Indiana; and

WHEREAS, pursuant to the provisions of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to notice duly published, the Warrick County Economic Development Commission conducted a public hearing on October 5, 2006 on the proposal to issue the Bonds for the purpose of financing the costs of the Project and following such public hearing such Commission adopted a Resolution (the "Resolution"), (i) finding that the proposed financing will be of benefit to the health and general welfare of the County and its residents, (ii) finding that the proposed plan of financing complies with the Act, and (iii) approving the issuance of one or more series of bonds for the purpose of financing the costs of the Project; and

WHEREAS, the financing of the Project and the issuance of the Bonds by the County as herein recited and provided will serve the intended purposes and in all respects conform to the provisions and requirements of the Act; and

WHEREAS, one or more series of Bonds will be issued under and pursuant to, and are to be secured by, one or more Indentures of Trust (collectively, the "Indenture") by and between the County and The Bank of New York, N.A., as trustee (the "Trustee"), and the principal of, premium, if any, and interest on the Bonds will be secured by the pledge under the Indenture of the loan repayments to be made by the Company to the County under the Loan Agreement (as hereinafter defined); and

WHEREAS, one or more Loan Agreements (collectively, the "Loan Agreement") with respect to the Bonds will be executed by and between the Company and the County, whereby the Company will covenant and agree (i) to make loan repayments sufficient to provide for the payment of the principal of, premium, if any, and interest on the Bonds, as and when the same become due and payable, and (ii) to make such other payments and satisfy such other obligations as may be required by the Act; and

WHEREAS, it is proposed to sell the Bonds in one or more series to Morgan Stanley & Co. Incorporated and Banc of America Securities LLC (collectively, the "Underwriters"), pursuant to one or more Underwriting Agreements to be dated a date on or prior to the date of issuance and delivery of the Bonds (collectively, the "Underwriting Agreement"), among the County, the Company and the Underwriters; and

WHEREAS, in connection with the issuance of the Bonds in one or more series, there will also be delivered one or more Tax Exemption Certificates and Agreements to be dated the date of issuance and delivery of the Bonds (collectively, the "Tax Agreement"), among the County, the Company and the Trustee; and

WHEREAS, in connection with the issuance of the Bonds in one or more series, there will also be delivered one or more Official Statements relating to such Bonds in substantially the form of the Official Statement presented to the County (collectively, the "Official Statement"); and

WHEREAS, if a series of Bonds will initially bear interest at a Term Interest Rate as described in the form of the Indenture presented to the County, there will also be delivered one or more Preliminary Official Statements relating to such Bonds in substantially the form of the Official Statement presented to the County to be dated prior to the Underwriting Agreement (collectively the "Preliminary Official Statement");

NOW, THEREFORE, Be It Ordained by the Warrick County Council of the County of Warrick, Indiana as follows:

Section 1. Public Benefits. It is hereby found and determined that the proposed issuance and sale of one or more series of the Bonds of the County in the aggregate principal amount of not to exceed \$30,000,000, the loan of the proceeds thereof to the Company for the purpose of financing a portion of the costs of the acquisition, construction and installation of the Project at the aluminum plant, power plant and facilities of the Company located in the unincorporated area of Warrick County, Indiana, and the repayment of said loan by the Company

pursuant to the Loan Agreement, will be of benefit to the health and general welfare of the County and its residents and complies with the Act.

Section 2. Findings. The County Council hereby finds that this ordinance (the "Bond Ordinance") is intended to promote the purposes of the Act, that it is reasonably anticipated to effect such result and that it will be of benefit to the health and welfare of the residents of the County.

Section 3. Authorization of Bonds. There are hereby authorized to be issued, sold and delivered, one or more series of the Bonds, in an aggregate principal amount not to exceed \$30,000,000.

Section 4. Definitions. In addition to the words and terms defined in this Bond Ordinance, the words and terms used in this Bond Ordinance shall have the meanings set forth in the Indenture and the Loan Agreement unless the context or use indicates another or different meaning or intent and the form of the Bonds and the forms of the Loan Agreement, the Indenture, the Underwriting Agreement, the Tax Agreement and the Official Statement, which forms are before this meeting, are hereby incorporated by reference in this Bond Ordinance and the County Auditor is hereby directed to insert them into the minutes of the County Council and to keep them on file.

Section 5. Terms of the Bonds. The issuance of one or more series of the Bonds in an aggregate principal amount not to exceed \$30,000,000, with a maturity date no later than 35 years from their date of issuance and bearing interest at a rate or rates not to exceed 15% per annum, be and the same are hereby authorized and ordered to be issued pursuant to the Indenture in substantially the form presented at this meeting and containing substantially the terms and provisions set forth therein, the actual issue size, maturity date or dates and purchase price to be approved by the Board of Commissioners of the County and the County Auditor, as evidenced by the execution of the Underwriting Agreement by such officials. The forms, terms and provisions of the Bonds are hereby approved, and the Board of Commissioners of the County and the County Auditor are hereby authorized and directed to execute, attest, seal and deliver the Indenture, and the Board of Commissioners of the County and the County Auditor are hereby authorized and directed to execute, attest, seal and deliver the Bonds as provided in the Indenture, including by the use of facsimile signatures on the Bonds, with such changes therein as shall be approved by such persons executing such documents provided that such changes do not affect the terms contained in this Bond Ordinance pursuant to Section 36-7-12-27(a) of the Act (their execution thereof to constitute conclusive evidence of such approval).

Section 6. Indenture. In order to secure the payment of the principal of, premium, if any, and interest on one or more series of the Bonds, the Board of Commissioners of the County and the County Auditor shall execute, acknowledge and deliver in the name and on behalf of the County the Indenture in substantially the form submitted to this County, which form of the Indenture presented at this meeting is hereby approved in all respects, with such changes therein as such officials may approve, provided that such changes do not affect the terms contained in this Bond Ordinance pursuant to Section 36-7-12-27(a) of the Act (their execution thereof to constitute conclusive evidence of such approval).

Section 7. Loan Agreement. The County will lend the proceeds of the Bonds to the Company for the purpose of providing funds to finance the acquisition, construction and installation of the Project pursuant to the Loan Agreement in substantially the form presented at this meeting and containing substantially the terms and provisions set forth therein, and the form, terms and provisions of the Loan Agreement are hereby approved, and the Board of Commissioners of the County and the County Auditor are hereby authorized and directed to execute, attest, seal and deliver the Loan Agreement, with such changes therein as shall be approved by such persons executing such document provided that such changes do not affect the terms contained in this Bond Ordinance pursuant to Section 36-7-12-27(a) of the Act (their execution thereof to constitute conclusive evidence of such approval).

Section 8. Underwriting Agreement. The sale of the Bonds to the Underwriters at a purchase price of not less than 95% of the principal amount thereof pursuant to the Underwriting Agreement in substantially the form presented at this meeting and containing substantially the terms and provisions set forth therein, is hereby authorized, approved and confirmed, and the form, terms and provisions of the Underwriting Agreement are hereby approved, and the Board of Commissioners of the County are hereby authorized and directed to execute and the County Auditor is hereby authorized to attest and deliver the Underwriting Agreement, with such changes therein as shall be approved by the officials named above (their execution thereof to constitute conclusive evidence of such approval).

Section 9. Tax Agreement. The form, terms and provisions of the Tax Agreement, in substantially the form presented at this meeting, are hereby authorized and approved, and the Board of Commissioners of the County and the County Auditor are hereby authorized and directed to execute and deliver the Tax Agreement in the name and on behalf of the County, with such changes therein as shall be approved by such officials named above (their execution thereof to constitute conclusive evidence of such approval).

Section 10. Official Statement. The use by the Underwriters of the Preliminary Official Statement, if applicable, and the Official Statement, in substantially the form of the Official Statement presented at this meeting, is hereby authorized, approved and confirmed. The use and distribution of the Preliminary Official Statement, if applicable, and the Official Statement and the execution of certificates regarding such Preliminary Official Statement, if applicable, and the Official Statement are hereby authorized, and the Underwriters are hereby authorized to distribute the Preliminary Official Statement, if applicable, and the Official Statement, if applicable, in conjunction with the sale and delivery of the Bonds.

Section 11. Limited Obligations. The Bonds shall be limited obligations of the County and shall not constitute a debt or liability of the County, the State of Indiana or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation, and shall never constitute or give rise to a charge against the general credit or taxing powers of the County, the State of Indiana or any political subdivision thereof or the general funds or assets of the County, but shall be payable solely from the revenues derived from the Loan Agreement.

The Bonds are not and shall never constitute an indebtedness of, or a charge against the general credit or taxing power of the County. The Bonds are not in any respect a general obligation of the County, nor are they payable in any manner from revenues raised by taxation.

Section 12. General. The Board of Commissioners of the County and the County Auditor are each hereby authorized and directed, in the name of and on behalf of the County, to execute any and all instruments, perform any and all acts, approve any and all matters, and do any and all things deemed by them, to be necessary or desirable in order to carry out the purposes of this Bond Ordinance (including the preambles hereto), the issuance and sale of the Bonds and the securing of the Bonds under the Indenture. All actions taken to provide for the publication of notice of the time and place of this meeting are hereby ratified, confirmed and adopted.

The documents before this meeting, including the Indenture, the Loan Agreement, the Underwriting Agreement, the Tax Agreement, and the Official Statement, have been approved in substantially the forms submitted. The Board of Commissioners of the County and the County Auditor are hereby authorized to execute and deliver the Indenture, the Loan Agreement, the Underwriting Agreement, the Tax Agreement and to deliver the Preliminary Official Statement, if applicable, and the Official Statement, in substantially the forms of said documents before this County Council, on behalf of this County, with such changes therein as such officials may approve, as conclusively evidenced by their execution thereof.

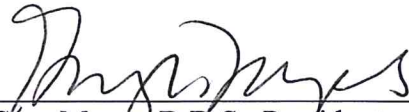
The provisions of this Bond Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

All ordinances, orders, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

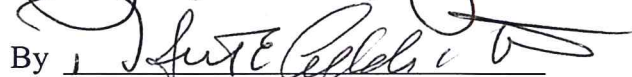
Section 13. Effective Date. This Bond Ordinance shall be in full force and effect immediately upon its adoption by the Warrick County Council.

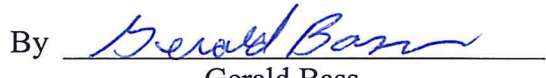
Adopted this 2nd day of November, 2006.

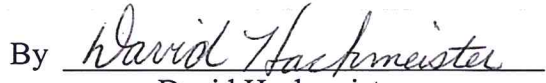
WARRICK COUNTY COUNCIL


By 
Gary Meyer, D.D.S., President

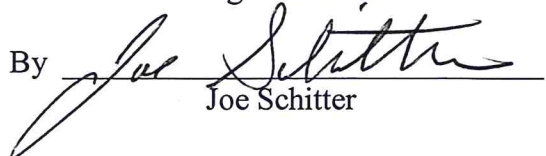
By 
Raymond McIntyre

By 
Robert Addington

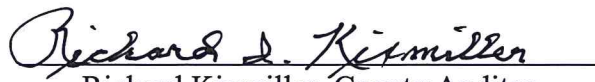
By 
Gerald Bass

By 
David Hachmeister

By 
Greg Richmond

By 
Joe Schitter

Attest:


Richard Kixmiller, County Auditor

CERTIFICATE

STATE OF INDIANA)
) SS
COUNTY OF WARRICK)

I, Richard Kixmiller, hereby certify that I am duly qualified and acting County Auditor in and for Warrick County, Indiana, and as such official I further certify that the attached is a true and correct copy of an Ordinance adopted by the Warrick County Council of said County on November 2, 2006 and said Ordinance relating to a financing for Alcoa Inc. remains in full force and effect and has not been rescinded by the Warrick County Council of said County, and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken by the Warrick County Council regarding said Ordinance.

WITNESS my hand and the corporate seal of the Warrick County Council of Warrick County, Indiana hereto affixed, this 2 day of November, 2006.


Richard Kixmiller, County Auditor

**EXCERPTS FROM THE MINUTES OF THE MEETING OF THE
WARRICK COUNTY COUNCIL OF WARRICK COUNTY, INDIANA
ON NOVEMBER 2, 2006**

The Warrick County Council of Warrick County, Indiana met in regular session at 6:00 p.m. at the Commissioners Meeting Room of the Warrick County Courthouse located at 107 West Locust Street in Boonville, Indiana pursuant to notice duly given. The meeting was called to order and there were present at said meeting the President, in the chair, and the following members of the Warrick County Council: Ray McIntyre,

Robert Addington, Gerald Bass, David Hochmeister,
Greg Richmond, Joe Schitter

Absent: _____

The meeting having been called to order, the President declared a quorum was present.

* * *

(Other Business)

Councilman Robert Addington then presented an Ordinance first read at the regularly scheduled October 5, 2006 Warrick County Council meeting and caused to be read for its second reading Ordinance No. 2006-3, entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$30,000,000 SOLID WASTE DISPOSAL REVENUE BONDS (ALCOA INC. PROJECT) IN ONE OR MORE SERIES OF WARRICK COUNTY, INDIANA FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUIRING, CONSTRUCTING AND INSTALLING CERTAIN SEWAGE AND SOLID WASTE DISPOSAL FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE INDENTURES OF TRUST TO SECURE SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE LOAN AGREEMENTS PROVIDING FOR THE REPAYMENT OF THE LOAN OF THE PROCEEDS OF SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE TAX EXEMPTION CERTIFICATES AND AGREEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE UNDERWRITING AGREEMENTS PROVIDING FOR THE SALE OF SAID BONDS; AUTHORIZING ONE OR

MORE OFFICIAL STATEMENTS IN CONNECTION WITH THE SALE OF
SAID BONDS; AND RELATED MATTERS.

Pursuant to Indiana Code Section 36-7-12-16, the President announced that each Council member should reveal whether or not such member had any pecuniary interest in any aspect of the proposed financing or in the Company; the following members indicated the following interests:

Members: _____

Councilman Robert Allright moved the adoption of the foregoing Ordinance which was seconded by Councilman Greg Richmond. After discussion and upon the call of the roll, said Ordinance was passed by the following vote:

AYE: 7

NAY: 0

ABSTAINED:

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(Other Business)

Upon motion and vote the meeting adjourned.

WARRICK COUNTY COUNCIL

Gary Meyer
Gary Meyer, D.D.S., President

Richard A. Kixmiller
Richard Kixmiller, County Auditor